ADB ASIAN DEVELOPMENT BANK

China, People's Republic of: SONGHUA RIVER BASIN WATER POLLUTION CONTROL AND MANAGEMENT PROJECT PRIVATE SECTOR FACILITY (PHASE 2)

Project Name	SONGHUA RIVER BASIN WATER POLLUTION CONTROL AND MANAGEMENT PROJECT PRIVATE SECTOR FACILITY (PHASE 2)
Project Number	46921-014
Borrower/Company	LONG JIANG ENV'T PRO-SLUDGE (PH 2)
Country	China, People's Republic of
Location	Heilongjiang Province
Approval Number	7375/2933
Type or Modality of Assistance	7375/2933 Loan US$ 600.00 million Approved
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth
Drivers of Change	Private sector development
Sector / Subsector	**Water and other urban infrastructure and services** - Urban sewerage
Gender Equity and Mainstreaming	
Responsible ADB Department	Private Sector Operations Department
Responsible ADB Division	Infrastructure Finance Division 2
Responsible ADB Officer	Scott Roberts
Project Sponsor(s)	TSINGHUA HOLDINGS CO., TLD.
Description	The project is the second phase of the Songhua River Basin Water Pollution Control and Management Project Private Sector Facility,1 which is part of a broader multiproject initiative under the East Asia Department and the Private Sector Operations Department of the Asian Development Bank (ADB) to address acute water stress in the Songhua River basin (SRB) of northeastern PRC. Phase 2 expands LJEPs' operations into sludge treatment and improves the technical parameters of its existing WWTP projects. Specifically, it will finance investments to (i) install sludge handling units and the treatment and disposal of approximately 1,200 t/d of sludge, and (ii) the upgrade of approximately 300,000 t/d of WWTP capacity to meet higher effluent standards. Similar to the Phase 1 project, Phase 2 will use the proceeds from ADB financing to finance subprojects, which are held either directly by the firm or through wholly-owned subproject company subsidiaries. Both Phase 1 and 2 are envisaged to (i) expedite the delivery of urban water supply, sanitation, and wastewater services in the PRC; (ii) arrest increasing pollution of water resources and reduce threats to public health; and (iii) promote private sector participation in urban water supply, sanitation, and wastewater management in the PRC, among other goals.
Objectives and Scope	The project was intended to fund the first major sludge treatment and disposal development program in Heilongjiang province, and will serve as a model for future sludge project investments in the Songhua River Basin; improve the environmental performance of existing wastewater treatment facilities through process upgrades; and support private investment in urban environmental infrastructure in second- and third-tier cities, a priority area for ADB and the PRC government. The Project is the second phase of the Songhua River Basin Water Pollution Control and Management Project Private Sector Facility, which is part of a broader EARD/PSOD multi-project initiative to address acute water stress in the Songhua River Basin.
Linkage to Country/Regional Strategy	The project aligns with the PRC country partnership strategy, as it promotes balanced development, resource efficiency and environmental sustainability, and private sector development; and is also consistent with the CPSs affirmation of water supply and sanitation as a priority sector. The project is consistent with ADB's Water Policy and Water Operational Plan 2011-2010, which promote investments to reverse the degradation of water resources by agricultural, industrial, and municipal effluents.

Status of Development Objectives	To be evaluated.

Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	In compliance with ADBs Safeguard Policy Statement (2009), the project is category B for environment. LJEP has established an environmental and social management system (ESMS) and undertakes extensive and real-time environmental monitoring, monthly reporting, and annual performance audits. To date, LJEP has complied with national, provincial, and local environmental requirements and maintained ISO 14001-2004 certification. Subprojects are located at existing sites in suburban areas designated for industrial use, so land acquisition will be minimal. Hence, with respect to involuntary resettlement the project is category B, while for indigenous peoples the project is category C.
Involuntary Resettlement	NA
Indigenous Peoples	NA
Stakeholder Communication, Participation, and Consultation	LJEP will comply with ADBs Social Protection Strategy and report regularly to ADB on compliance including that of its contractors with national labor laws consistent with internationally recognized core labor standards. The revised ESMS, to be submitted prior to disbursement for the first subproject, will incorporate the social protection requirements and the requirements of ADBs Public Communications Policy (2011).

Timetable for assistance design, processing and implementation

Concept Clearance	21 Jun 2012
Due Diligence	29 Jun 2012
Credit Committee Meeting	08 Oct 2012
Approval	08 Nov 2012
PDS Creation Date	20 Aug 2012
Last PDS Update	03 Oct 2014

Project Page	http://www.adb.org/projects/46921-014/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=46921-014
Date Generated	25 June 2016

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